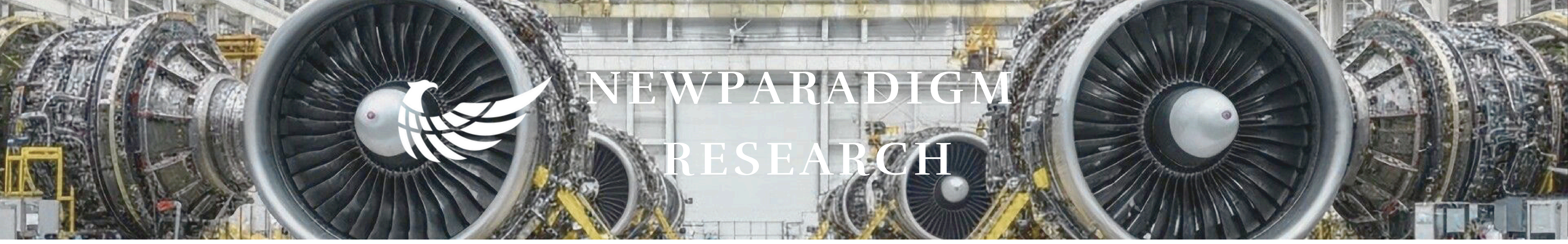


AGX GROUP BHD

Aviation activity proxy

11 FEBRUARY 2026

Non-rated I Logistics I Tourism

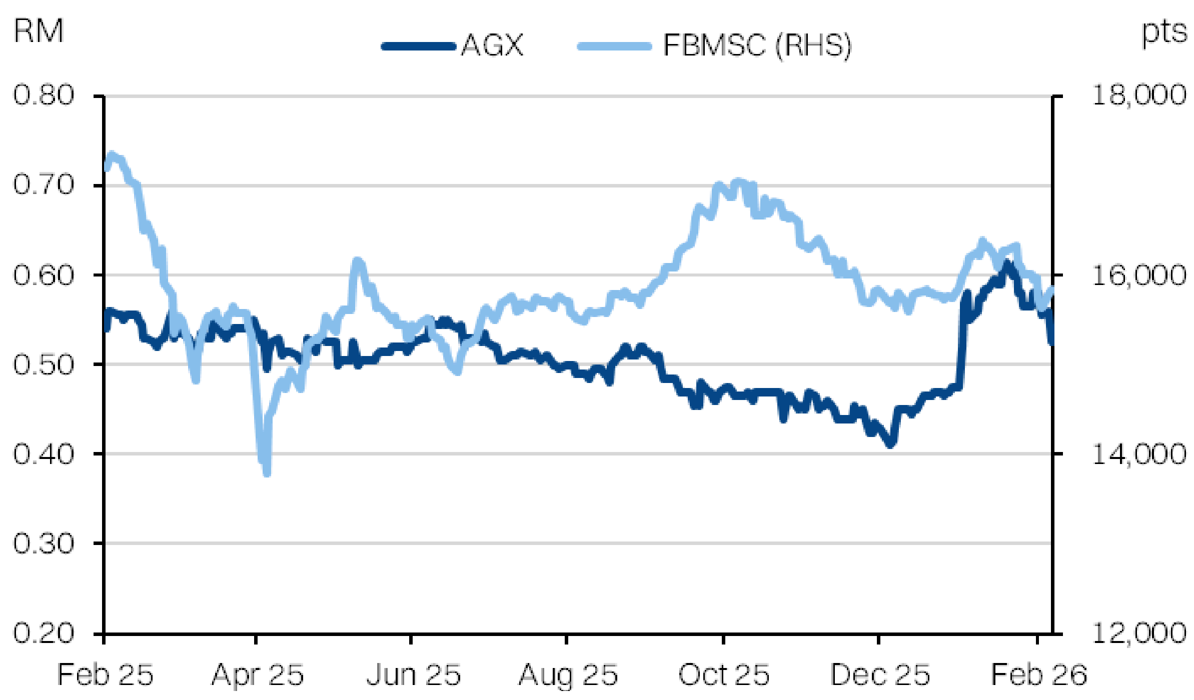
NOT RATED

Fair value: RM0.66

Last Price: RM0.52

(as at 10 Feb 2026)

SHARE PRICE PERFORMANCE



STOCK INFORMATION

Market cap	RM227m
Shares out	433m
52-week range	RM0.41/RM0.63
3M ADV	RM0.1m
T12M returns	0%

INVESTMENT FUNDAMENTALS

RMm FYE DEC	FY24A	FY25E	FY26E
Revenue	238.4	272.8	312.7
Growth YoY	*28%*	*14%*	*15%*
EBITDA	26.1	44.5	51.8
Margins	*11%*	*16%*	*17%*
Adj NP	12.4	17.0	23.2
Margins	*5%*	*6%*	*7%*
Net debt	13.9	51.3	73.8
ROA	8%	12%	13%
PER (x)	19.36	14.09	10.35

Source: Company data, NewParadigm Research, February 2026

Team coverage
Research@newparadigm.my

KEY POINTS:

- AGX is an indirect tourism play via its aerospace logistics segment (~25% of revenue) that benefits from higher aviation activity.
- Additions of MAS, VietJet, and Sun PhuQuoc contracts underpin a +23% topline growth for the segment, offsetting anticipated falling AirAsia MRO requirements post-reactivation.
- Against our estimated earnings of RM23.2m, on the historic average multiple of 12.4x, the fair value for AGX should be 66sen/share.

UNASSUMING TOURISM PROXY

- Unlike other tourism plays that are levered to a function of visitor arrivals, AGX's exposure is via its aerospace logistics segment that delivers parts for airlines' maintenance, repair and overhaul (MRO) needs. Revenue is a function of MRO activity, which is in turn a function of fleet utility and size. The more often more planes fly, the better for AGX. In turn, there is more upside for unscheduled maintenance, that requires time-critical delivery of parts to minimize aircraft grounding.
- Additionally, AGX is also able to expand its exposure via acquisition of more customers. The group in January announced a three-year contract with Malaysia Airlines for said aerospace logistics services. We estimate this contract will contribute ~RM40m annually. This comes after the VietJet and Sun PhuQuoc contracts that were secured last year, which we estimate will contribute about RM22m.
- Critically, this will offset an expected decline in AGX' current contract with AirAsia that runs till the end of 2025. Said contract is contributing about RM40-50m in FY25E, we estimate, turbocharged by AirAsia's elevated MRO activity as part of its broader fleet reactivation. AirAsia has indicated that its entire fleet will be reactivated by 2Q26, suggesting a fall-off in MRO spend. See our AAX report ***here***.
- Overall, we estimate the aerospace logistics business will still grow at +23% YoY in FY26E, supported by the new contracts. And beyond the base effect of the AirAsia reactivation dip, we expect the contract to be renewed. It should be sizable, even if it is lower than the reactivation surge, given AirAsia has a relatively old fleet (average 13 years) and a high aircraft utilization rate.

BEYOND FREIGHT FORWARDING?

- We estimate FY26E could deliver >30% earnings growth - on margin expansion as well as the strong topline growth. Against a multiple of 12.4x (T12M; average since IPO), our fair value would be 66sen/share.
- This is already elevated compared with other freight forwarding peers weighted average PER (T12M) of 10.2x, but as the revenue mix from aerospace logistics grows, we anticipate further upside for re-rating.

About the Company

AGX Group Berhad is a logistic services company with the unique aerospace logistics segment that supports airlines' maintenance, repair and overhaul requirements. Basically, if MRO operations require parts, AGX will sort out the logistics - often highly time-critical for unscheduled maintenance. This makes up about 25% of revenues.

The balance of revenues comes the freight forwarding and related services, across all major modes of transport. This segment, while lower margin has been growing at 17% CAGR (FY23-FY26).

The Group operates primarily across Malaysia, the Philippines, Singapore, Vietnam, Myanmar, Korea, Cambodia and Thailand, with additional exposure to China.

About the Stock

AGX is a Shariah-compliant stock listed on the ACE market in 2024. The company is owner managed. Group CEO, Datuk Ponnudorai Periasamy holds 11.54% and so does co-founder, executive director and MD, Jayasielan Gopal. Another co-founder and non-executive director, Penu Mark, holds a 19.06% stake.

AGX will be listing a 1:4 company warrant (bonus issuance) on February 27 with a strike price of 70sen, or a potential enlargement of the share base by 25%. These warrants will have a premium of approximately 25% on listing and have a life of 5 years from listing.

Investment Idea

AGX is an indirect tourism play, as it supports both major domestic airlines - MAS and AirAsia - via its aerospace logistics arm. Basically, the more flights, the more wear and tear, the more MRO required, and more volume for AGX. Additionally, AGX has two major clients in Vietnam - Vietjet and Sun PhuQuoc, giving it a total of 489 aircraft under contract.

We see AGX as an interesting spin on the tourism thematic, as it could possibly grow quicker than the underlying trend (VM26 is looking at +12% visitors), by expanding its offering to new customers.

Management is targeting to increase the aerospace logistics share of revenue from 30% to 50%, which we think would justify a re-rating for the stock. Currently the stock is benchmarked to other logistics and freight forwarding peers, which makes sense since it is still ~70% of the group's topline for now.

Lastly, if AGX can continue growing its customer base and the aerospace logistics segment, it could be a good re-rating candidate.

Key Risks:

- AirAsia is approaching the end of its post-pandemic fleet reactivation program come 2Q26. Historically, this has translated to ~RM40-50m revenue for AGX per year. AGX is still on contract with AirAsia, but headline MRO requirements will be lower.
- Failure to secure more airlines as customers would relegate AGX to grow in-line with existing customers long-term, which would be ~10%, optimistically.

Strategic Client Diversification and the MAS Opportunity

In FY25, AGX's aerospace earnings were bolstered by an exceptional RM48m contribution from AirAsia, largely driven by logistics support for its grounded fleet. As AirAsia completes its flight reactivation program by 2Q26, we anticipate a reduction of this revenue stream to approximately RM12 million. However, this projected shortfall is expected to be more than offset by a significant long-term contract win with Malaysia Airlines (MAS) for the provision of comprehensive AOG (Aircraft on Ground) services. This transition marks a shift in AGX's revenue profile, reducing dependence on AirAsia as MAS and the Group's Vietnamese clients are forecasted to contribute 70% of the segment's total revenue for 2026.

AGX's Vietnamese portfolio, comprising Vietjet and Sun Phuquoc boasts a fleet size more than double that of MAS. However, we estimate that the MAS contract revenues should be almost double in value (~RM40m vs RM22m) because the Vietnamese airlines have contracted multiple vendors. It is also worth noting that the Malaysian carriers have older fleets as well at 13 years for AirAsia and 10 years for MAS compared with 7.5 years for Vietjet and 2.7 years for Sun PhuQuoc, which may also inflate requirements.

AGX's key aerospace logistics customers

	VietJet	Sun PhuQuoc	MAS	Air Asia		
Fleet size (#)	135	6	91	257		
Of which: operational	116	6	84	257		
Of which: grounded	19	0	7	0		
Average age (yrs)	7.5	2.7	10	12.5		
Contract Tenure	1 year (1/11/2025 - 31/10/2026)	2 years (16/10/2025 - 15/10/2027)	3 years (1/12/2025 - 30/11/2028)	2 years (no specification)		
Contract Scope	AOG	AOG	AOG	AOG		
Contract announcement	Apr 2025	Oct 2025	Jan 2026	Nov 2024		

NPS estimates, revenue contribution (RMm)

Year	Sun PhuQuoc + VietJet	MAS	Air asia	Others	Total
2025	-	-	48	21	68
2026	22	40	12	10	84

Source: Company data, NewParadigm Research, February 2026

Fair value of RM 0.66

Our key topline assumptions are +23% YoY growth for the aerospace logistics segment and +12% YoY growth for freight forwarding and others. At the same time, we expect to see net margins (excluding JV & associates) expand from 2.4% to 4% on higher margin mix as well as improving operating leverage.

Against FY26E earnings estimate of RM12.4m, we apply a target multiple of 12.4x PER, which is the post-listing average (T12M). We apply T12M because there is a lack of consensus coverage on the stock to work out the forward multiples reliably. This works out to a fair value of 66sen/share.

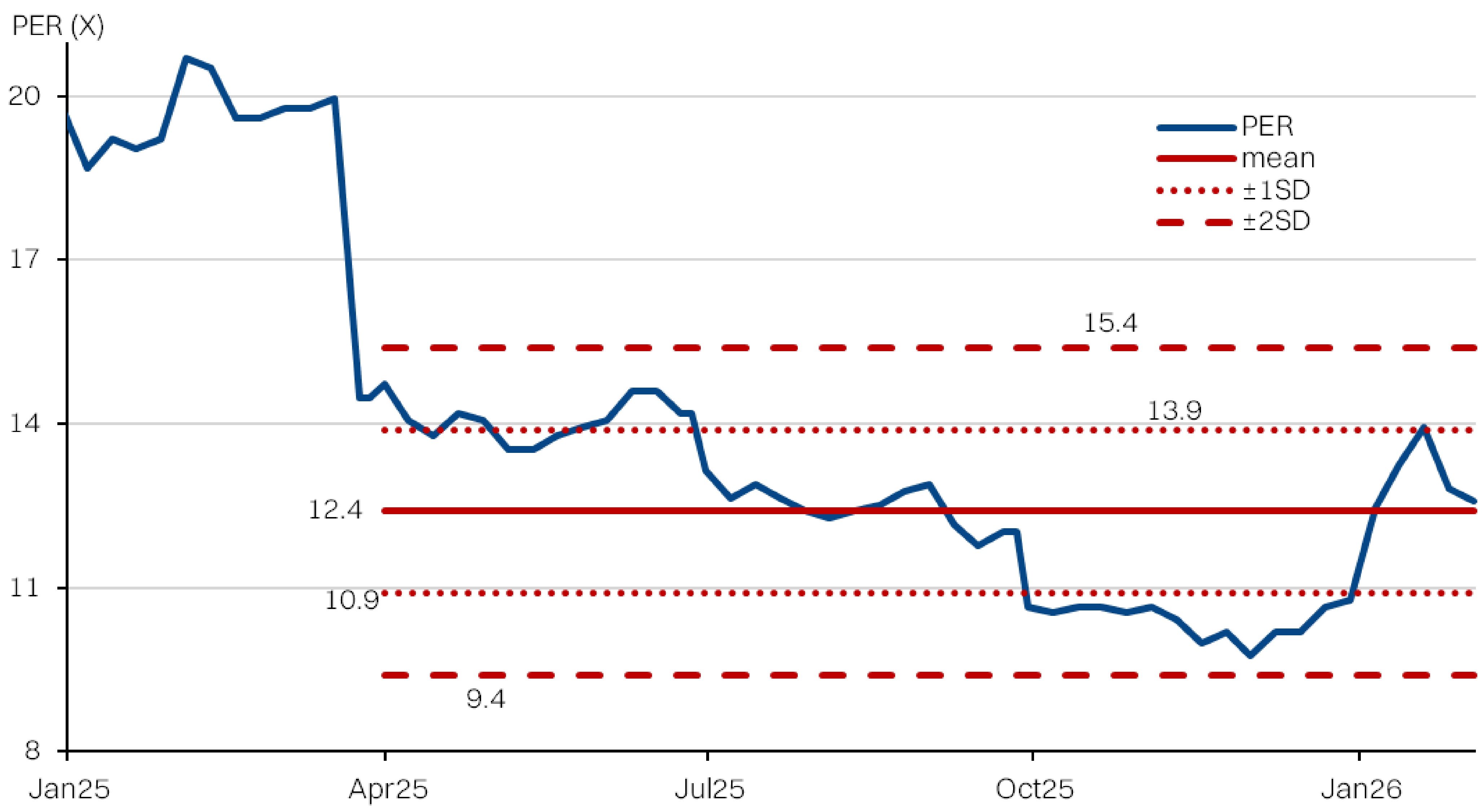
We foresee room for more multiple re-rating if the group continues to successfully scale up the aerospace logistics operations and shed the valuation benchmark of a freight forwarder.

Fair value: RM0.66

RMm	FY23A	FY24A	FY25E	FY26E
Revenue	**186.83**	**238.44**	**272.78**	**312.71**
Aerospace Logistics	45.3	84	68.4	83.8
%	24%	35%	25%	27%
Freight Forwarding & others	141.5	154.4	204.4	228.9
%	76%	65%	75%	73%
NP	**9.8**	**12.4**	**17**	**23.2**
NP margin (excl. JV/Assoc.)	4.5%	0.2%	2.4%	4.0%
Base case PER (x)				**12.4**
Fair value (RMm)				287.3
Shares out				432.87
FV (RM)				**0.66**
Last price as of 9/2/2026				**0.56**
Upside				20%

Source: NewParadigm Research, February 2026

AGX traded at 12.4x T12M PER on average.



Source: Bloomberg, NewParadigm Research February 2026

Peer comparison

Company Name	Short description	M.cap (RMm)	T.12M PER	5yr Average ROE	T12m NI
AGX Group Bhd	**Freight forwarder along with Aerospace logistcs player**	**240**	**12.6**	**n/a**	**20.12**
Tasco Bhd	Major contract logistic player along with freight forwarder	368	14.3	11.3	25.73
Harbour-Link Group Bhd	Sea freight services and machines trading	570	4.8	17.41	119.75
FM Global Logistics Holdings Bhd	Sea and air freight forwarder	335	10.3	10.06	32.55
CJ Century Logistics holdings Bhd	Land, air and sea freight forwarder	96	n/a	3.76	-2.49
KGW Group Bhd	Sea and air freight forwarder	63	17.1	75.32	3.71
See Hup Consolidated Bhd	Air freight forwarder	54	n/a	-0.9	-3.38
Tri-Mode System (M) Bhd	Manages shipments and freight forwarding	29	29.8	6.68	0.98
Weighted average			**10.2**	**15.0**	

Source: NewParadigm Research, February 2026

Selected financials

Income statement

RMm	FY23A	FY24A	FY25E	FY26E
Revenue	**186.8**	**238.4**	**272.8**	**312.7**
Aerospace logistics	45.3	84	68.4	83.8
Freight forwarding & others	141.5	154.4	204.4	228.9
COGS	128	177.4	200	229.3
Gross profit	**39.8**	**61**	**72.8**	**83.4**
GP margin	21%	26%	27%	27%
EBITDA	**21.9**	**15.3**	**44.5**	**51.8**
EBITDA margin	12%	6%	16%	16%
Depreciation	6.4	9.5	21.3	21.3
Net finance income (cost)	-1.4	-1.7	-2.5	-2.5
Profit before tax	**14.2**	**14.9**	**20.7**	**28**
Tax	4.5	2.5	3.7	4.8
Profit after tax	**9.8**	**12.4**	**17**	**23.2**

Source: Bloomberg, Company data, NewParadigm Research, February 2026

Balance sheet

RMm	FY23A	FY24A	FY25E	FY26E
Right-of-use assets	9.5	26.6	n/a	n/a
Investments in associates	3.8	13.4	n/a	n/a
Others	5.5	7.9	n/a	n/a
Total non-current assets	**18.9**	**47.9**	**n/a**	**n/a**
Cash & other liquid assets	12.6	20.8	n/a	n/a
Receivables	65.6	74.7	n/a	n/a
Inventories	-	-	n/a	n/a
Others	2	8.2	n/a	n/a
Total current assets	**80.1**	**103.8**	**n/a**	**n/a**
Total assets	**99**	**151.7**	**n/a**	**n/a**
Long-term debt	0.2	0.6	n/a	n/a
Lease liabilities	5	19.1	n/a	n/a
Others	1.5	2.6	n/a	n/a
Total non-current liabilities	**6.7**	**22.3**	**n/a**	**n/a**
Short-term debt	13.8	8.3	n/a	n/a
Lease liabilities	4.1	6.7	n/a	n/a
Payables	21.1	23.5	n/a	n/a
Others	1.9	1.2	n/a	n/a
Total current liabilities	**40.9**	**39.7**	**n/a**	**n/a**
Total liabilities	**47.6**	**62.1**	**n/a**	**n/a**
Share capital	27.2	60	n/a	n/a
Retained earnings	23.8	32.7	n/a	n/a
Reserves	0.3	-3.2	n/a	n/a
Total Equity	**51.4**	**89.5**	**n/a**	**n/a**

Source: Bloomberg, Company data, NewParadigm Research, February 2026

Important Disclosures

Recommendation definitions

Buy – Expected return of > +10% over the next 12 months.
Hold – Expected return between ±10%
Sell – Expected return of < -10% over the next 12 months
Trading Buy – Expected return of > +15% over the next 12 months, but LT prospects uncertain.
Not rated – No recommendation on stock performance.

Note: Recommendations may fall outside of the aforementioned ranges from time to time due to share price volatility.

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Contact us:

research@newparadigm.my

NewParadigm Financial Group

D-12-8, Level 12, EXSIM Tower,
Millerz Square @ Old Klang Road, Megan Legasi,
No. 357, Jalan Kelang Lama,
58000 Kuala Lumpur, Malaysia.